

BUSINESS OPPORTUNITY

CC-MOJA001-07

Department of the Interior

National Park Service
Mojave National Preserve

**Proposal to Operate the Beanery, a Food Service Facility,
At the Historic Kelso Train Depot
Within Mojave National Preserve**

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INTRODUCTION

This document describes in general terms the Business Opportunity to provide certain visitor services within the Kelso Depot area of Mojave National Preserve (“Preserve”). These visitor services include food and beverage services and may include limited merchandise sales located at the historic Kelso Train Depot. These visitor services will be authorized through a Concession Contract issued by the National Park Service (“Service”) under the 1998 Concession Act and its implementing regulations, 36 CFR Part 51, copies of which are in the appendices to this Prospectus. The Draft Contract is included in part V of this Prospectus.

Potential Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Contract, including its exhibits, to determine the full scope of a Concessioner’s responsibilities. This solicitation is being conducted in accordance with the 1998 Concession Act and 36 CFR Part 51. Any inconsistency in this solicitation shall be resolved by giving precedence in the following order: (a) 1998 Concession Act; (b) 36 CFR Part 51; (c) Draft Contract; (d) Proposal Instructions; (e) Proposal Package; (f) Appendices; and (g) Business Opportunity.

The data, information, and assumptions included in this discussion of the Business Opportunity are based on a review and interpretation of available public records, Service records, and consultation with knowledgeable sources. On this basis, the data, information, and assumptions are believed to be accurate. However, the Service makes no representations or warranties as to the accuracy or completeness of such data, information, and assumptions. Offerors are responsible for undertaking appropriate due diligence with respect to this Business Opportunity. Should any Offeror believe any statement in the Business Opportunity or elsewhere in the Prospectus to be inaccurate, the Offeror must submit comments to the Service in writing, no later than 30 days following the issuance of the Prospectus.

The National Park Service and Its Mission

In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That legislation mandated that America’s National Park Service was created by Congress to:

...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. §1)

Additionally, Congress has declared that the National Park Service areas should be

...preserved and managed for the benefit and inspiration of all the people of the United States. (16 U.S.C. §1a-1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation’s natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service, its mission, policies, and individual parks.

Mojave National Preserve and Its Mission

Located in the extensive desert lands of southeastern California, Mojave National Preserve’s vast expanse include elements of three of the four major North American Deserts: the Mojave, Great Basin, and Sonoran. Its nearly 1.6 million acres encompass unique ecology attributed to its remarkable geology. The Preserve is a land of old mountain ranges, exposed granite, Joshua tree forests, rose-colored sand dunes,



desert washes, dry lakes, great mesas, and volcanic features such as cinder cones, domes, and lava flows; these features contribute to the remarkable beauty of the landscape. The most ancient rocks in the Preserve, found in the Clark Mountains, are 2.5 billion years old. Approximately 700,000 of the 1.6 million acres is designated wilderness.

The Preserve's backbone is a chain of high mountains that bisect it; the jumble-rock spires of the Granite Mountains mark the southern end of this group, followed by the Providence Mountains and New York Mountains to the northeast. The Preserve is isolated in the midst of two huge population centers. Its northern boundary is I-15 connecting Los Angeles and Las Vegas. On holiday weekends, traffic can slow to a crawl along this busy freeway, yet minutes away are Pinyon-Juniper woodlands, secret springs, and cactus gardens waiting to be explored.

The Preserve has widely diverse animal and plant populations which vary by elevation. Signs of animal life are subtle and easily overlooked. Birds and lizards are seen most frequently, but time of day, weather, and season all play a role in determining which animals are active. Desert tortoises burrow in creosote bush flats, while the black and yellow Scott's oriole nests in Joshua trees higher up the slopes. Mule deer and bighorn sheep roam among pinyon pine and juniper in the Preserve's many mountain rangers. Notable plant assemblages include one of the largest and most dense Joshua tree forests, cactus gardens, and select plant communities of chaparral and white fir, which grow in small isolated populations in the New York and Clark Mountains. Driving through the valleys of Mojave National Preserve, there are many miles of creosote bush, the Preserve's most common plant, as well as approximately 900 different species of plant life.

Outdoor enthusiasts appreciate the opportunity for solitude not easily found at other southern California parks. A network of dirt roads offers year-round opportunities to explore by four-wheel drive vehicle.

The Mojave Desert experiences change with the seasons; infrequent winter snows sparkle on the mountains, and with enough moisture spring wildflowers carpet the desert with vivid colors. Summers are hot; hikers and campers explore the higher elevations such as Mid-Hills and the New York Mountains. Temperatures vary greatly by elevation, which ranges from 880 feet to 7,492 feet. At the lower elevations summer temperatures, generally starting in May and lasting into October, average 90 degrees with the highs exceeding 105 degrees; winter temperature highs are in the 70s and lows are in the 40s. In the higher elevations the summer daytime temperatures are generally in the 70s with lows in the 50s. During the winter it is not unusual to experience freezing temperatures and to see snow blanketing the higher elevations; daytime highs are typically in the 50s and 60s. Precipitation also varies greatly across the Preserve; mountain areas average nearly 9 inches per year, while the average near Baker is only 3.37 inches; at least 25 percent of precipitation falls in localized summer monsoon thunderstorms.

Legislated Purpose and Significance

Purpose, significant features, and agency mission and mandates (laws) form the basis for management decisions and planning. The specific purposes for Mojave National Preserve, as derived from the National Park Service Organic Act and the California Desert Protection Act of 1994, generally include:

- Preserve and protect the natural and scenic resources of the Mojave Desert, including transitional elements of the Sonoran and Great Basin deserts.
- Preserve and protect cultural resources representing human use associated with Native American cultures and westward expansion.
- Provide opportunities for compatible outdoor recreation and promote understanding and appreciation of the California desert.



Compliance with Federal, State, and Local laws and Park Jurisdiction

Mojave National Preserve operates under proprietary jurisdiction that is, the Service exercises the rights of a property owner and has the Constitutional right to make and enforce rules and regulations for property owned by the United States. The Service may enforce property based laws, such as the Service regulations contained in Title 36 of the Code of Federal Regulations; all non-property related crimes are addressed under State law by State law enforcement officers.

Wildland fire protection is conducted by an interagency (National Park Service and Bureau of Land Management) fire crew located at Hole in the Wall. The first responder for structural fires is the County of San Bernardino, California and the closest Emergency Medical Services are located in Baker, 30 miles away.

Public health codes are prescribed by the United States Public Health Service (USPHS), and inspections are conducted in compliance with USPHS as they apply to water, sewage disposal and food service facilities. The USPHS inspects the Preserve's water supply and sewage disposal systems.

Although operations are conducted on federal property, the Concessioner is subject to state and local laws and ordinances in the same manner as if they operated outside of the federal holding. Business permits normally required must be obtained from state and county authorities. All taxes that would be due must be paid. Labor laws of a state that set more stringent standards than federal law are usually applicable.

Park Management Structure

Mojave National Preserve is managed by the Preserve's Superintendent. The Superintendent manages all Preserve operations and is assisted by a management staff that monitors, evaluates, and reviews all concession operations.

PARK MANAGEMENT OBJECTIVES FOR CONCESSION SERVICES

The need for commercial visitor services within Mojave National Preserve is based on objectives for visitor use described in law, planning documents, the judgment of the Preserve's management, and the present objectives of the Service. The Service has determined that the facilities and services that are called for in this Prospectus are necessary and appropriate to the enjoyment and effective management of Mojave National Preserve.

MARKET AREA OVERVIEW

Regional Market

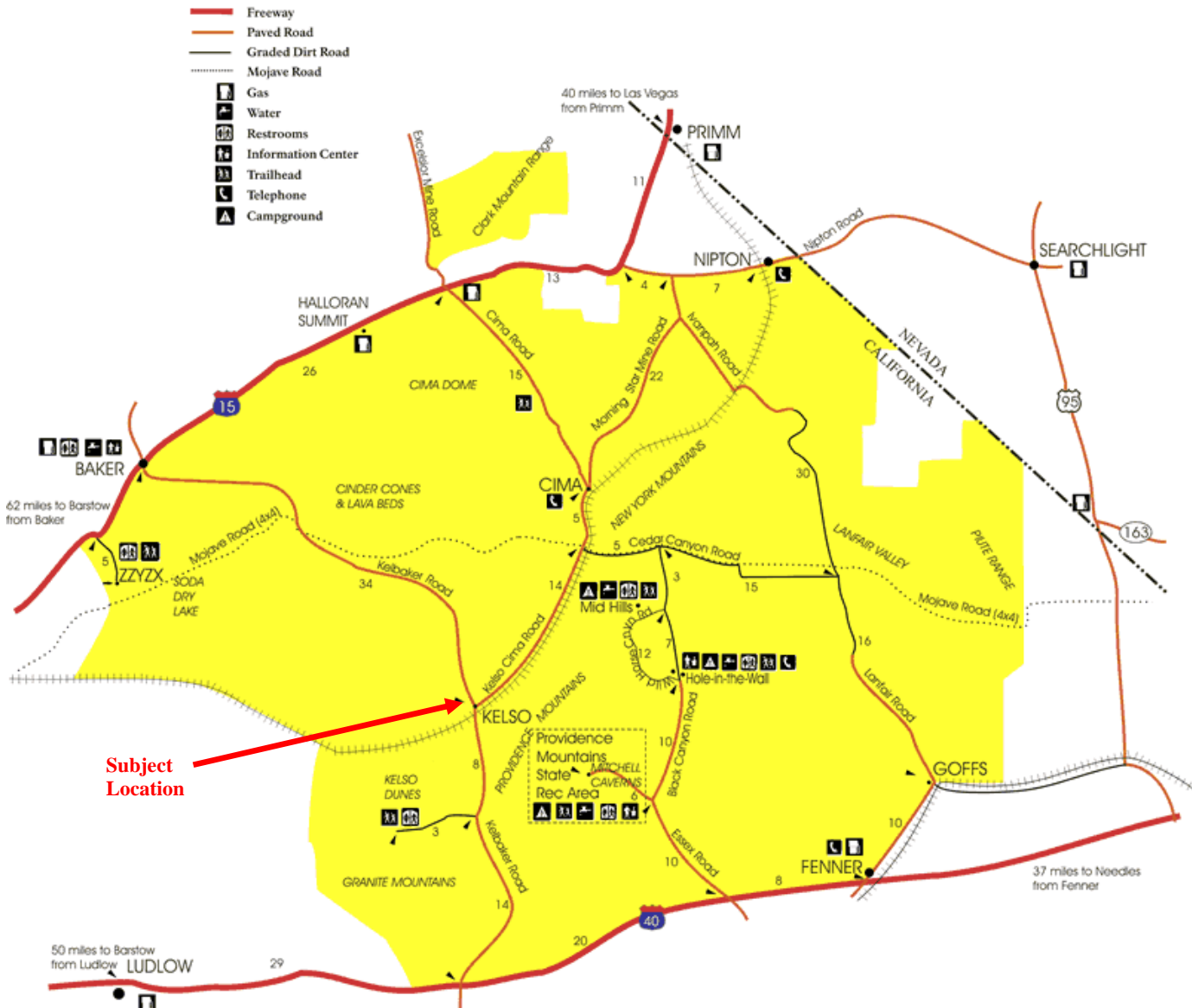
Located about halfway between Las Vegas and Joshua Tree National Park, Mojave is bounded to the north and south by major interstate highways, I-15 and I-40. The Nevada-California state line makes up most of the eastern boundary.

The closest commercial airport to the Preserve is about 60 miles from the eastern boundary in Las Vegas, Nevada. Alternatively, visitors may arrive via Ontario, California located 140 miles from the western Preserve boundary. Most visitors, however, arrive by vehicle via Interstate 15 or Interstate 40. Although there are six freeway exits that provide visitor access, this desert location is remote and sparsely



populated. The few services that exist are primarily concentrated in one or two towns directly connected to the freeways.

Exhibit 1. – Mojave National Park Area and Vicinity



Source: National Park Service

The Preserve is located near two desert National Parks. Recreational visitation for these three areas and their respective annual changes for the last five years are shown below in Exhibit 2. Mojave's visitation has steadily increased over the last five years, particularly when compared to neighboring desert Parks. Preserve management attributes this growth to increasing awareness in their southern California primary markets of the Preserve's natural resources and easy accessibility.



Exhibit 2. – Regional National Parks Annual Recreation Visitors

	2001	2002	2003	2004	2005	Average	CAGR
MOJA	492,745	492,785	615,269	546,312	632,522	555,927	
% Change	10.9%	0.0%	24.9%	-11.2%	15.8%		8.1%
DEVA	1,014,636	897,596	890,375	764,820	800,113	873,508	
% Change		-11.5%	-0.8%	-14.1%	4.6%	9.2%	-2.5%
JOTR	1,280,917	1,178,376	1,283,346	1,243,659	1,375,111	1,272,282	
% Change		-8.0%	8.9%	-3.1%	10.6%	-7.5%	0.2%

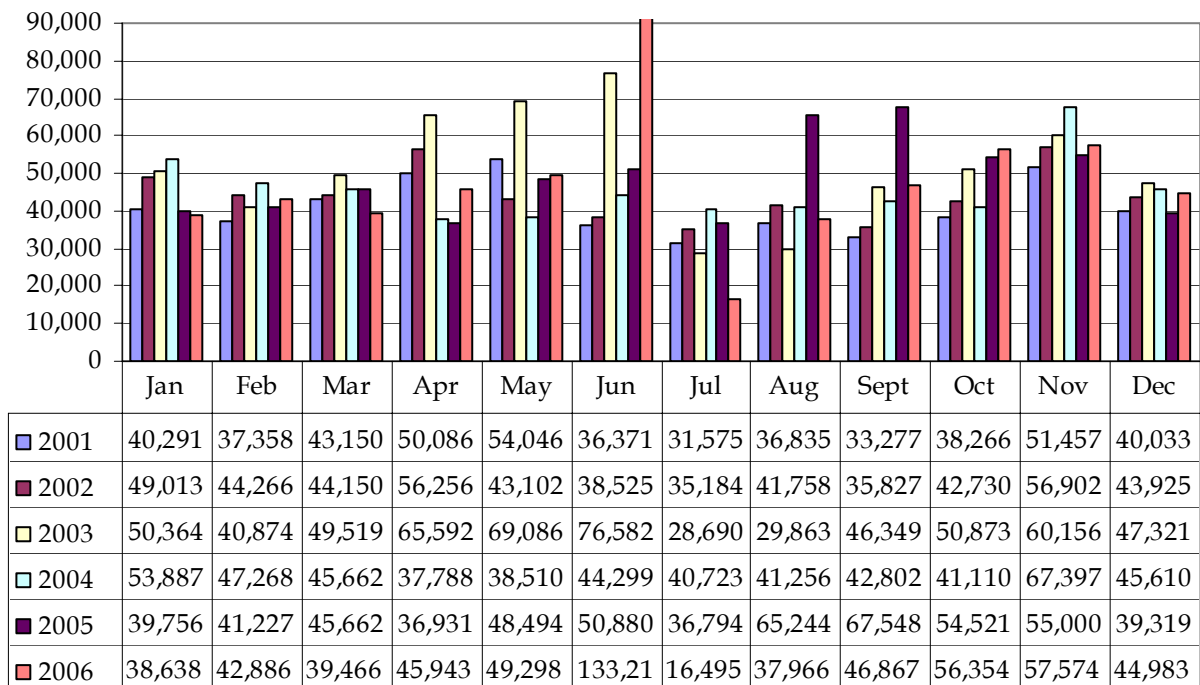
Note: CAGR is an acronym for Compound Annual Growth Rate

Source: <http://www2.nature.nps.gov/stats>

Note: Mojave National Preserve (MOJA), Death Valley National Park (DEVA), and Joshua Tree National Park (JOTR)

Visitation to Mojave National Preserve

The Preserve draws its visitors from the heavily populated Los Angeles, San Bernardino, and San Diego metropolitan areas. An additional 12% of the visitors come from the Las Vegas, Nevada area. Given the extreme summer heat, visitation understandably peaks in early spring and late fall. The Exhibit below depicts monthly visitation patterns over the last five years.

Exhibit 3. – Mojave Monthly Visitation 2001-2006

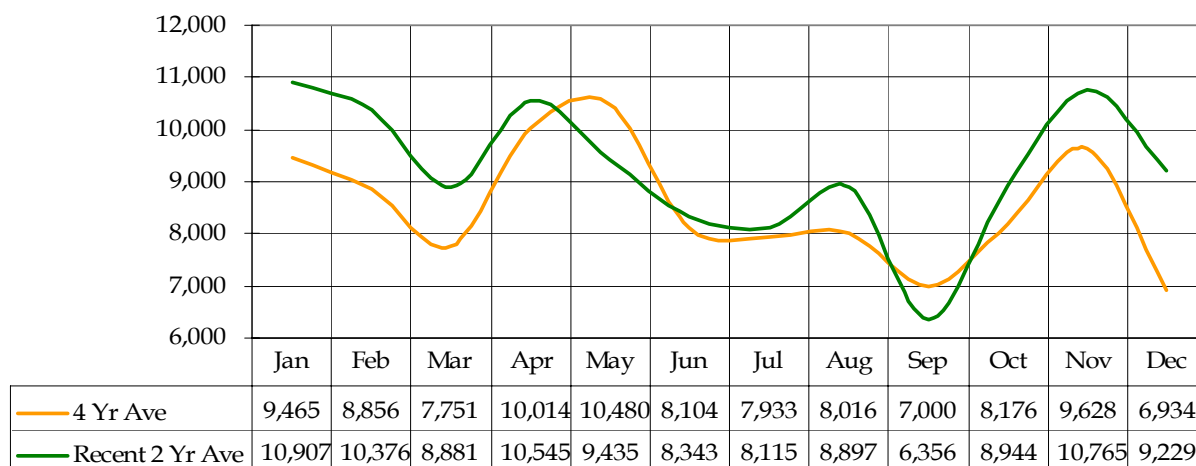
Source: <http://www2.nature.nps.gov/stats>



Recreation visits are estimated by the Service using inductive loop traffic counters located at each of Mojave's six entrances. These totals are then adjusted by a 2.4 factor to estimate persons per vehicle. Palm Springs and Twenty-nine Palms residents pass through the Preserve using Kelbaker Road to access I-15 to Las Vegas from I-40, and are implicitly included in the Preserve's recreation visit totals.

Kelbaker Road, which goes through Kelso Depot, is the access road from I-15 to the north and I-40 from the south. Average Kelbaker Road monthly counts (north and south) for 2000 through 2004 are depicted below.

Exhibit 4. – Kelbaker Road Counts



Note: 4 Year Average (3/00 through 2/04) Two Year Average (3/02 through 2/04)

Source: www2.nature.nps.gov/stats/

Vehicle counts on Kelbaker Road averaged 102,355 vehicles annually between 3/00 and 2/04. The increase is generally attributed to growing Las Vegas tourism and visitation to the Preserve. In a fall 2003 Carlson Wagonlit Travel survey, 85% of U.S. based respondents identified Las Vegas as their top vacation choice for 2004. An examination of I-15 and I-40 traffic counts demonstrate traffic growth as depicted below.

Local Market Area

The closest and largest gateway community adjacent to the Preserve is Baker, California located approximately 34 miles from Kelso Depot. Baker contains approximately 1,000 residents, many of whom are employed in tourism/service industries associated with the I-15 corridor. Baker has two sit down restaurants located on the main thoroughfare. There are motels and multiple gas stations in town, as well as numerous fast food restaurants. Baker advertises itself as the gateway to Death Valley National Park located 113 miles to the north and Mojave National Preserve.



Exhibit 5. – Mojave National Preserve and Vicinity



Source: NPS

The Preserve's headquarters are located in Barstow, California about 77 miles from the southern Kelbaker Road entrance.

The small settlement of Nipton, California, located 47 miles from Kelso Depot on California State 164, contains a 20-seat snack-bar serving lunch and dinner together with a six room hotel. Unlike Kelso traffic patterns, however, California State 164 does not directly connect with the Los Angeles/Las Vegas I-15 corridor, but rather serves as the eastern highway to the small community of Searchlight, Nevada.

Lodging and a full range of services are available in Primm on the Nevada/California border about 50 miles from Kelso. This area is experiencing rapid growth that is anticipated to continue as southern Nevada transportation centers move southeast from existing Las Vegas locations. There are also gas and food and beverage services in Ludlow, approximately 50 miles from Kelso.



The Preserve manages three campgrounds within its boundaries, one of which is reserved as a horse/group camp only.

Exhibit 6. – Campgrounds

NAME	SITES	TYPE	ELEVATION	WATER	AMENITIES	FEE
Hole in the Wall	35	RV & Tent	4,400	Yes	Pit Toilet, dump station, no hook-ups	\$12
Mid Hills	26	Tent	5,600	Yes	Pit Toilet	\$12
Black Canyon		RV & Tent	4400	Yes	Pit Toilet	\$25
TOTAL	61					

Note: Black Canyon is strictly a group and equestrian campground and is not available for individual families.

Source: NPS

In addition, the Preserve surrounds the Providence Mountains State Recreation Area. This state park is located on the east side of the Providence Mountain range and has dramatic views of the surrounding Mojave Desert. Within the Providence Mountains State Recreation Area the Mitchell Caverns Natural Preserve is the most popular destination for visitors staying within the Preserve and the surrounding areas.

HISTORIC USE OF KELSO TRAIN DEPOT

The historic Kelso Train Depot was originally established in 1905, in a different location until it burned down. Originally built by the Union Pacific Railroad it initially served as a helper station as well as a board and room house for trains. Trains idled in Kelso while having helper engines attached to enable them to make it over the steep Cima grade. The nearby springs of the Providence Mountains provided a dependable water source needed for railroad operations. The Spanish Mission-revival style building combined an employee boarding and rooming house with a restaurant which served employees and was a meal stop for passenger trains. The existing depot building, where the Beanery is located, was constructed in 1924 and served until its abandonment in 1985.

Historically, revenues of Kelso Train Depot's Beanery depended upon the 50 breakfast and evening train passengers rather than the 100 residents within the Kelso area, including railroad staff. Historic documents reflect an American menu that served the 31-seat, U-shaped counter. Kelso Train Depot averaged 2,900 meals a month, or about 97 meals per day. Throughout its years of operation the Kelso Train Depot Beanery enjoyed appreciative customers who were all the more grateful for the food due to an absence of similar facilities in the area.



FUTURE CONCESSION OPERATIONS

The Draft Contract includes the following Required and Authorized services:

Exhibit 7. – Required and Authorized Services

REQUIRED SERVICES	
Food and Beverage Service	Services may include, but are not necessarily limited to, hot foods, deli sandwiches, “historic” related menu items, hot and cold non-alcoholic beverages, ice-cream, and other desserts.
AUTHORIZED SERVICES	
To-Go Service	Including packaged lunches, snacks and beverages.
Limited Merchandise Sales	Sale of a limited amount of merchandise, such as bottled water, mugs, coffee tumblers, t-shirts, film, cameras and other items that embody the historic Kelso Train Depot Beanery as long as sales do not impede or interfere with the Required services.
Additional Menu Options through Outdoor Grilling	Expanded menu options by grilling outdoors.

Source: National Park Service

The food and beverage service will accommodate the lunch crowd. Beer and wine sales will not be authorized at the Beanery.

The 11,500 square foot, two-story Kelso Train Depot facility has just undergone a multimillion dollar restoration and rehabilitation by the Service. The exterior as well as the Beanery, ticket office, conductor’s room, and two display overnight lodging rooms have been restored to its pre-1942 appearance. This facility is used as the Preserve’s principal information center. Other spaces have been rehabilitated for visitor information displays, natural and cultural exhibits, audiovisual exhibits, an auditorium, public restroom, staff working space, and a 12’ x 12’ room downstairs for the cooperating association’s publication sales. The planned historic furnishings are intended to deepen the public’s understanding of historic usage. Parking for visitors to Kelso Train Depot includes 36 spaces located on the north side of the building, 3 handicapped spaces, and an additional 8 standard size Recreational Vehicle spaces.



The Beanery is prominently situated on the first floor immediately to the right upon entering the building. A separate food preparation room, approximately 15' x 17' in size, is located directly behind the counter. The Preserve anticipates a year-round operation with limited service initially. The main constraint to service hours is the requirement that Preserve personnel be present during the Beanery's operating hours. Since the food and beverage service area shares the building with the Preserve's Visitor Center, located to the left of the Beanery, the hours of operation must fall within the Visitor Center's operating hours, currently 9:00 a.m. to 5:00 p.m. seven days a week but the Concessioner will be allowed to prep and clean up the Beanery before and after the Visitor Center is open. Prospective Concessioners should note that in order to preserve the facilities pre-1942 appearance, no additional exterior signage for the Beanery will be permitted on the building. However, there is a historic neon lunch room sign on the exterior of the building, as illustrated on the front cover of this Prospectus.

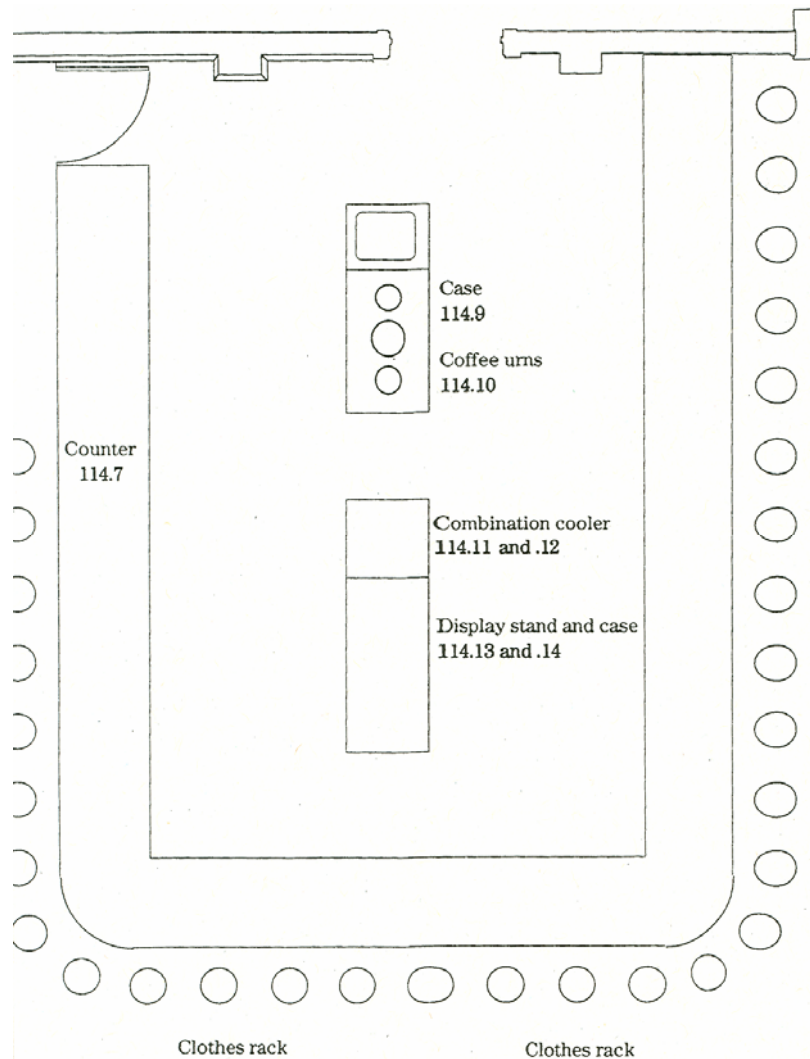
Exhibit 8. – Beanery Interior



Source: National Park Service

The Preserve will purchase the major electric fixtures, such as commercial range, oven, freezers, sinks, and refrigeration units and include these in the Concession Facilities that will be assigned under the Draft Contract to the Concessioner. The Concessioner will need to invest in personal property that will consist of dish and glass ware, cash register, cookware, and utensils. Storage for the operation will be available in a separate storage area, approximately 4' x 4', located behind the food preparation area as well as under the counters. One of the offices located on the second floor (9' x 12') will be assigned to the Concessioner for general office and/or storage purposes. The counter includes 31 seats and the top left counter is designated for handicap accessibility (see Exhibit 9 below and Exhibit C to the Draft Contract for additional information). There are five polyurethane picnic tables with four seats each located outside the Kelso Train Depot entrance that will be available for both Preserve visitors and Beanery customers.

Exhibit 9. – Beanery Seating Layout



Source: National Park Service

The menu will be an all American menu that will interpret the Beanery's historic fare without the use of a fryer. This includes homemade-in-appearance cookies and pies that will likely be displayed in the restored display pie case (see Appendix A for historic menus).

Within the first year of operation one RV pad accommodating between a 30 and 35' vehicle will be assigned to the Concessioner for employee housing, no other employee housing is available within the Preserve; possible locations for Concessioner housing include Baker, Barstow, Newberry Springs, Needles, Nipton, and Cima. The Draft Contract prohibits the new Concessioner from constructing in the Preserve any Capital Improvements, as that term is defined in 36 CFR Part 51 and other applicable laws.

Utilities

The Preserve provides electric, gas, water, and garbage service on a year-round basis. Due to unknown costs associated with having a Concessioner operate the Beanery, the Service will bill the Concessioner a flat rate of \$500 per month for electric, gas, water, and garbage provided by the Service during the first year of operation. After the first year of operation, the Service will charge the Concessioner the difference between the base amount paid by the Government and the actual charges incurred due to the Concessioner's operations. The water within the Beanery may need to be filtered. In addition the Preserve has purchased a back-up generator.

Due to the remote nature of the Historic Kelso Train Depot there currently is no local phone service available and cell phone coverage in the area is very limited or non-existent. The Service is currently working on internet and phone service thru a T-1 line and satellite connection, but has not been successful as of today in providing reliable service to the Kelso Train Depot.

The Service currently has one dedicated line into the Depot that is provided by the local phone company. The service is unreliable and not able to support credit card transactions or internet usage.

The Concessioner will be authorized to put up a temporary dish for internet service that they could then purchase phone service over. Cat 5 wiring has already been installed into the building for use by the Concessioner.

If the local phone company or the Service is able to provide phone service that would support both high speed internet and credit card transaction in the future, the Concessioner may be asked to remove the dish to ensure a limit to the visual impact of multiple dishes on the historic building.

INVESTMENTS

Personal Property

A breakdown of the initial investments estimated to be made by a new Concessioner is presented in the following table.

Exhibit 10. – Initial Investments (estimated)

ASSET	#	COST EACH	TOTAL
Cash Register	1	\$2,500	\$2,500
Tableware	31	\$200	\$6,200
Operating Supplies	1	\$3,400	\$3,400
Working Capital			\$36,250
Total			\$48,350

Source: NPS



FRANCHISE FEE

The minimum franchise fee for this Draft Contract will be three percent (3.0%) of the Concessioner's total gross receipts for the preceding year or portion of a year. However, Offerors may propose a higher minimum franchise fee in accordance with the terms of the Prospectus.

TERM OF THE CONTRACT

The Draft Contract term will be for (10) years.

SITE VISIT

A one-day site visit is scheduled to occur **approximately 20 days following the release** of the Prospectus; a subsequent notice will be published at www.fedbizopps.gov. Questions regarding the date, time, and location of the site visit should be directed to:

Lisa M. Wilson
Administrative Officer
Mojave National Preserve
2701 Barstow Road
Barstow, CA 92311
Phone: (760) 252-6110
Email: Lisa_M_Wilson@nps.gov

Should you not be able to make the scheduled site visit, offerors are encouraged to visit the Preserve on their own to become familiar with physical conditions and location of the facility.

